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Mr. Chairman and Members of the Committee:

Thank you for this opportunity to testify in support of S.B. 1121, An Act Concerning Post Judgment Interest. My name is Linda Strumpf and I am a debt collection attorney in New Canaan here today to represent the Connecticut Creditor Bar Association (CCBA) as a member the Government Affairs Committee.

Post judgment interest should not be discretionary, but should accrue as a matter of law. It is important to keep in mind that the law ordering post judgment interest involves cases where there has already been a judicial determination that money is owed. There is no question and no longer any dispute that this money is owed.

As it presently stands, post judgment interest is awarded anywhere from 0% through 10%, seemingly on a Judge's or Magistrate's whim. In fact, one Court could award nothing on one judgment and another Court could award 10% on another which is the same type of debt owed under the same circumstances. Imagine you are a judgment creditor who is awarded no interest on a \$10,000 or \$20,000 judgment. You could be holding on to that judgment for up to 20 years and it is interest free. This is clearly inequitable to the creditor.

Connecticut is the only state which orders installment payments, permitting consumers to pay off the debt in weekly or monthly payments. The courts normally award \$35.00 per week, or \$140.00 per month. These nominal weekly or monthly payments are certainly no windfall for creditors. Many times the judgment debtor asks the court to lower the weekly payment, claiming they cannot afford to pay \$35.00 per week, and the court does lower the payments. The failure to award post judgment interest encourages the judgment debtor to delay payment of the debt. The award of post judgment interest is in no way unfair to judgment debtors.

This is an issue which affects businesses, has a direct effect on the employment rate in this state, and the attractiveness of this state to businesses. We are asking all small businesses - landscapers, plumbers, oil companies, professionals, such as attorneys, mom and pop shops - to virtually give interest free loans for many years. These businesses are not getting paid and are losing out on the time value of their money. Many businesses must take loans from banks in order to maintain their businesses, and, of course, must pay interest on those loans. Yet, they are not receiving interest from their customers who fail to pay their bills. This is not good for business and not good for this State.

A judgment creditor is being victimized twice. First in not getting paid on a valid debt; frequently having to retain and pay a collection attorney to obtain a judgment, and then once the judgment is issued failing to be awarded any interest on a judgment.

Thank you for your time.



Linda Strumpf